

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 736 - HB 853

March 16, 2017

SUMMARY OF BILL: Requires municipal hospitals, created by private act, operating a Level 1 trauma center to submit to and pay for an annual audit to be performed either by the Comptroller of the Treasury or a private certified public accountant or firm. Requires the Comptroller of the Treasury to publish the audit and related documentation to their website.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Exceeds \$1,500*

Assumptions:

- According to the Comptroller, audits would be contracted out to a private firm at the expense of the municipal hospital; as a result, there will be no increase to state expenditures.
- The cost of an audit will depend upon the complexity and size of the municipal hospital and its operations as well as the firm that is used to complete the audit; therefore, a precise mandatory increase to local expenditures cannot be determined; but is reasonably estimated to exceed \$1,500 per audit.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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